apron and construction of isolation bay. At Vijaywada Airport the existing runway has been strengthened and new apron has been constructed. At Rajamundary Airport the runway has been strengthened and a new Taxi-track etc. has been constructed.

(c) The State Government of Andhra Pradesh has provided Rs. 4 crores to Airports Authority of India (AAI) for the development of Vijaywada Airport. Rest of the funds have been provided by AAI.

Permission to Thai Airways International

*135. SHRI BHAGAT RAM MANHAR:
SHRI RAJU PARMAR:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that Government have given permission to Thai Airways International to operate more additional flights to and from Mumbai;

(b) if so, what are the destinations Thai Airways is likely to operate on the new routes;

(c) whether Thailand has also agreed to give permission to Air India for operating additional international flights from Bangkok on reciprocal basis; and

(d) if not, the reasons therefor?

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN): (a) and (b) During the last round of bilateral air services consultations between India and Thailand in February, 2000, Mumbai was granted as an additional point of call to the designated airline of Thailand without 5th freedom traffic rights subject to a Code Share/Block Space Agreement (CS/BSA) with Air India. The terms and conditions of the CS/BSA were to be mutually agreed to between Air India and Thai Airways prior to Commencement of latter's operations to/from Mumbai. This has since been finalised and Thai Airways have started thrice weekly operations between Mumbai and Bangkok with effect from 28th October, 2001.

(c) and (d) As per the existing Air Services Agreement between the two countries, designated airlines of both countries can operate 4100 seats/week in each direction with any type of aircraft. At present Thai Airways is deploying 4097 seats per week whereas Air India and Indian Airlines together are deploying 3599 seats per week on their respective routes. Air India is also considering introduction of an additional service to Tokyo *via* Bangkok.

Rate of interest in respect of Credit Cards

†*136. SHRI P.K. MAHESHWARI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Credit Card companies/banks in the country have not reduced their rate of interest for the last several years whereas in consumer loan/personal loan/housing loan/car loan the rate of interest has been reduced upto 3 to 4 per cent in the last two-three years; and

(b) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The interest rate structure of the commercial banks has been substantially deregulated with the banks having been given the freedom to determine their lending rates on alternative forms of credit including consumer/ personal loans. Banks are free to prescribe their Prime Lending Rate (PLR), which at present is a benchmark rate, after duly taking into consideration their cost of funds, transaction costs, etc. However, interest rates on loans upto Rs. 2.00 lakh should not exceed the bank's PLR.

Overall lending rate structure has come down substantially in the last two years and continues to show a softening trend. The Prime Lending Rate of public sector banks, which were ranging between 12.0—14.0 per cent in March, 1999 and 11.75—13.0 per cent in September, 2000, softened to 10.0—13.0 per cent in March, 2001 and further to 10.0—12.5 per cent by October, 2001.

In June, 1998 the Reserve Bank of India (RBI) allowed banks freedom to undertake credit card business, either independently or in tie-up arrangement with other card issuing banks, subject to the

† Original notice of the Question was received in Hindi.